

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.,¹) Case No. 01-1139 (JKF)
) Jointly Administered
Debtors.)

Objection Deadline: October 3, 2006 at 4:00 p.m.
Hearing Date: TBD only if necessary

FEE DETAIL FOR STEPTOE & JOHNSON LLP'S MONTHLY FEE APPLICATION
FOR THE PERIOD FROM APRIL 1, 2006 THROUGH APRIL 30, 2006

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

NOTE: There were two major projects performed in this time period. The first major project ("Remedium") was the preparation of a response to an IRS disallowance of a deduction of capital losses on the sale of stock of Remedium Group Inc. The work required legal analysis of the complex tax law permitting deductions in these circumstances and a review of the underlying facts involving the deduction, followed by a writing of a brief justifying the deduction (the "Protest") that was submitted to the IRS.

The second major project ("Consolidated Returns") related to the preparation of a protest of an IRS adjustment to a refund claim made by Grace. This refund claim was based on the carryback of certain net operating losses to prior tax years in order to reduce taxable income in those years. The dispute with the IRS concerned the application of the separate return limitation rules in the consolidated return regulations. These rules provide complicated and technical limitations on the use of losses to offset income within a consolidated group. To prepare the protest, Steptoe consulted with Deloitte & Touche on the specific structure of the Grace consolidated group and the transactions that preceded that structure. We researched the specific area of law and collaborated with Deloitte & Touche to draft a protest explaining the detailed rules and examples in the regulations and Grace's position that the IRS adjustment was erroneous.

The fees and expenses for these two major projects were separately recorded and are listed separately below. They were combined for purposes of pages 1 through 4 of this filing.

EXHIBIT A-1

Professional services rendered through: April 30, 2006

012046.00002 PROTEST OF REMEDIUM LOSS DISALLOWANCE

04/03/06	M.D. Lerner	Review and mark-up current draft of Remedium protest.	1.50
04/05/06	A.A. MacIvor	Review comments from Matt Lerner on the protest	0.40
04/12/06	A.A. MacIvor	Review Board minutes and respond to Todd Mayne's comments regarding the protest.	1.00
04/12/06	A.A. MacIvor	Meet with Matt Lerner and Lisa Zarlenga to discuss the comments	0.10
04/12/06	A.A. MacIvor	Draft email to Carol Finke regarding computation of numbers	0.90
04/12/06	L.M. Zarlenga	Meet with Mr. Lerner and Ms. MacIvor to review client comments.	0.20
04/12/06	M.D. Lerner	Read and consider new language for Protest.	0.20
04/13/06	A.A. MacIvor	Telephone call with Carol Finke and Matt Lerner to discuss Remedium protest	0.90
04/13/06	A.E. Moran	Work on court filing records.	0.50
04/18/06	A.A. MacIvor	Discuss protest with Matt Lerner	0.10
04/18/06	A.A. MacIvor	Review emails from Matt Lerner and review skeletal protests	1.70
04/18/06	M.D. Lerner	Review and comment on Remedium protest and identify open items.	0.70
04/19/06	A.A. MacIvor	Revise protest based on additional information from Carol Finke, Matt Lerner's comments and Todd Mayne's comments.	3.70
04/21/06	A.A. MacIvor	Continue revising protest based on additional information from Carol Finke, Matt Lerner's comments; and other comments	3.00

04/22/06	A.A. MacIvor	Review revisions to protest and continue revising	3.20
04/23/06	A.A. MacIvor	Review and revise protest	1.70
04/25/06	A.A. MacIvor	Prepare redline of protest for Matt Lerner and briefly review formatting.	0.20
04/25/06	M.D. Lerner	Review latest remedium draft.	0.20
04/26/06	A.A. MacIvor	Revise Remedium portion of the protest	2.00
04/26/06	A.A. MacIvor	Telephone call with Remedium and Carol Finke to discuss facts	0.50
04/27/06	A.A. MacIvor	Revise Remedium portion of the protest, RAR and computational issues.	6.10
Total Fees			\$9,711.00

EXHIBIT A-2

Professional services rendered through: April 30, 2006

012046.00003 TAX LITIGATION AUDIT ISSUE (CONSOLIDATED RETURNS)

04/03/06	M.J. Silverman	Review new RAR (revenue agent report) from IRS.	1.00
04/03/06	S.B. Teplinsky	Research re protest on consolidated return issues.	2.50
04/04/06	M.J. Silverman	Speak with Ms. Finke re RAR and errors in calculations.	1.00
04/04/06	S.B. Teplinsky	Research re protest on consolidated return issues.	2.50
04/05/06	G.N. Kidder	Research requirements for a 30-day letter and draft letter to Carol Finke describing such requirements.	3.50
04/05/06	M.J. Silverman	Conference with Mr. Teplinsky re IRS procedures.	1.00
04/05/06	M.J. Silverman	Call with Ms. Finke re RAR.	0.50
04/05/06	S.B. Teplinsky	Conference with Mr. Silverman re status of 30-day letter.	1.00
04/05/06	S.B. Teplinsky	Review re IRS Manual requirements for 30-day letter.	0.50
04/05/06	S.B. Teplinsky	Teleconference with Mr. Silverman and Ms. Finke re same.	0.50
04/06/06	G.N. Kidder	Edit draft of letter describing requirements for a 30-day letter after comments from Steve Teplinsky.	1.50
04/06/06	M.J. Silverman	Draft letter to Ms. Finke re accompanying materials.	1.00
04/06/06	S.B. Teplinsky	Review and revise draft letter to Ms. Finke re IRS procedure.	1.50
04/10/06	M.J. Silverman	Speak with Ms. Finke re RAR	0.50
04/10/06	S.B. Teplinsky	Teleconference with Messrs. Silverman and Gibbs, and Ms. Finke re 30-day letter and protest.	0.50
04/10/06	S.B. Teplinsky	Revise protest on consolidated returns issue.	1.00
04/11/06	M.D. Lerner	Consider best approach to presenting carryback issue.	0.30
04/11/06	M.J. Silverman	Speak with Mr. Teplinsky re RAR and protest	0.50
04/11/06	S.B. Teplinsky	Conference with Mr. Silverman re 30-day period.	0.50
04/11/06	S.B. Teplinsky	Review draft letter requesting extension for protest.	0.50
04/12/06	M.D. Lerner	Edit and comment on protest after receiving comments from Kirkland.	0.80
04/12/06	M.D. Lerner	Brief review of steps needed to complete Protest in a timely fashion.	0.10
04/12/06	M.D. Lerner	Calls with Ms. Finke to discuss approach to completing protest.	0.30

04/12/06	M.J. Silverman	Speak with Messrs. Teplinsky and Lerner re protest.	1.40
04/12/06	M.J. Silverman	Call client re procedures for protest.	0.60
04/12/06	S.B. Teplinsky	Teleconference with Messrs. Silverman and Lerner and Ms. Finke re status of protest and request for extension.	0.60
04/13/06	M.D. Lerner	Call with client and colleagues to discuss approach and necessary changes to Protest.	0.70
04/13/06	M.J. Silverman	Review protest and our response in order to prepare for call.	1.00
04/13/06	S.B. Teplinsky	Review status of protest, and Mr. Collins' views and compare protest to drafts.	3.00
04/14/06	M.D. Lerner	Participate in call with client and Mr. Collins re revising protest.	1.00
04/14/06	M.D. Lerner	Prepare for conference call on revised protest.	1.00
04/14/06	M.J. Silverman	Prepare for and conference call with client and Deloitte & Touche and review Deloitte & Touche revised draft.	2.00
04/14/06	M.J. Silverman	Participate in conference call on revised draft.	1.00
04/14/06	S.B. Teplinsky	Teleconference with Messrs. Silverman and Lerner to prepare for call with client.	0.30
04/14/06	S.B. Teplinsky	Teleconference with Messrs. Silverman, Lerner, Collins, Gibbs and Ms. Finke re protest.	1.00
04/14/06	S.B. Teplinsky	Teleconference with Mr. Silverman re revising protest.	0.30
04/17/06	M.D. Lerner	Draft "skeletal" protests for use in the event the IRS does not grant an extension.	0.80
04/17/06	M.J. Silverman	Meet with Mr. Teplinsky re protest.	0.50
04/17/06	M.J. Silverman	Review and edit protest.	2.00
04/17/06	S.B. Teplinsky	Conference with Mr. Silverman re changing draft protest.	0.50
04/17/06	S.B. Teplinsky	Revise draft protest.	1.50
04/18/06	G.N. Kidder	Draft illustrations of authorities and examples in "lonely parent" protest.	2.30
04/18/06	M.J. Silverman	Review extension and revise protest	1.00
04/18/06	S.B. Teplinsky	Revise Protest on consolidated returns issue.	6.00
04/19/06	G.N. Kidder	Research authority for citations in "lonely parent" protest.	3.00
04/19/06	G.N. Kidder	Discuss pictures for protest of "lonely parent" issue with Steve Teplinsky.	0.30
04/19/06	G.N. Kidder	Draft pictures illustrating authority and examples for protest of "lonely parent" issue.	3.00
04/19/06	M.D. Lerner	Call with Ms. Finke re extension.	0.20

04/19/06	M.D. Lerner	Begin editing longer Protest re carryback issue.	0.40
04/19/06	M.J. Silverman	Speak with Mr. Teplinsky re protest	1.00
04/19/06	S.B. Teplinsky	Revise draft Protest.	5.70
04/19/06	S.B. Teplinsky	Conference with Mr. Silverman re protest.	1.00
04/19/06	S.B. Teplinsky	Conference with Mr. Kidder re structure pictures.	0.30
04/20/06	S.B. Teplinsky	Research for protest.	7.00
04/21/06	M.D. Lerner	Finish editing longer Protests re carryback issue.	0.80
04/21/06	M.J. Silverman	Review and comment on Protest.	1.00
04/21/06	S.B. Teplinsky	Revise Protest and send to Ms. Finke and Mr. Collins.	5.00
04/24/06	A.E. Moran	Work on bills for January-March 2006.	1.30
04/25/06	M.J. Silverman	Review protest	1.00
04/25/06	S.B. Teplinsky	Teleconference with Ms. Fiske re Protest and scheduling conference calls re same.	1.30
04/26/06	M.D. Lerner	Call with Mitch O'Bradovich.	0.50
04/26/06	M.D. Lerner	Preparation for call with client on protest,	0.80
04/26/06	M.D. Lerner	Call with client and Mr. Collins regarding latest draft of protest.	1.00
04/26/06	M.J. Silverman	Review protest to prepare for call.	2.50
04/26/06	M.J. Silverman	Call with client re protest.	1.00
04/26/06	S.B. Teplinsky	Conference with Mr. Silverman and client regarding protest.	1.00
04/26/06	S.B. Teplinsky	Prepare for teleconference re draft protest.	0.50
04/26/06	S.B. Teplinsky	Review Mr. Lerner's proposed changes to draft Protest.	1.00
04/26/06	S.B. Teplinsky	Work on draft protest.	2.50

Total Fees	\$57,432.00
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